



CONGRESSIONAL BUDGET JUSTIFICATION
UNITED STATES TRADE AND DEVELOPMENT AGENCY
FISCAL YEAR 2010

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BUDGET REQUEST AND JUSTIFICATION

The U.S. Trade and Development Agency (USTDA) has a long and successful record as a results-driven agency with the ability to act quickly and effectively to advance commercial development priorities and United States foreign policy initiatives that spur job growth in the United States. To continue and extend these successes, the Administration requests a budget of \$55.2 million for fiscal year (FY) 2010. This budget request is designed to support the Administration's development and foreign policy agendas through its support of economic growth programs and is justified by a record of success that includes generating over \$31 billion in exports of U.S. manufactured goods and services since 1981. Specifically, USTDA will promote the President's vision of expanded economic opportunities both here at home and in developing and middle-income countries around the world.

Fully funding this budget request will provide essential resources for USTDA to assist developing and middle-income countries around the world gain access to U.S. private sector expertise. It is this expertise that will allow our partner countries to develop the economic foundation and physical infrastructure necessary for healthy and sustainable economic growth. In addition, this request will assist U.S. small businesses and put people to work while opening opportunities for the export of billions of dollars in U.S. manufactured goods and services. Specifically, USTDA will invest in programs that create U.S. jobs and support: energy and the environment/climate change projects; lasting peace in the Middle East and South Asia; and economic growth and development in sub-Saharan Africa and Latin America.

USTDA's program creates an enabling environment for sustainable economic development by developing partnerships that enhance the ability of U.S. firms to sell goods and services overseas. This program also leverages the resources of the U.S. private sector to advance the foreign policy priorities of the Administration, creating long-term commercial relationships between the private sector and our partners in emerging markets. USTDA is distinct among the U.S. government's foreign assistance agencies, as its programs focus on providing commercial solutions to developmental challenges. In addition, USTDA's approach to foreign assistance generates mutually beneficial results through the formation of long-term business relationships that foster sustainable development, facilitate local private sector growth, advance U.S. commercial interests and create U.S. jobs.

FISCAL YEAR 2010 PRIORITIES

USTDA prides itself on its ability to respond quickly to the ever changing needs of emerging markets and the U.S. business community. For FY 2010, USTDA has identified four priority areas where global demand for USTDA funding will be the greatest. Each of these areas represents a top developmental priority for the Administration, U.S. government, the U.S. private sector and the Agency's overseas partners. These priority areas are:

- Promoting energy and environmental programs to mitigate climate change
- Supporting the framework for lasting peace in the Middle East and South Asia
- Achieving the Millennium Development Goals in sub-Saharan Africa
- Opening U.S. export markets in the Americas

In addition to targeting the above priority areas, USTDA will maintain a global program that enables the Agency to target projects in the Asia and Eurasia regions where programs can have a catalytic effect of opening export opportunities for U.S. manufactured goods and services.

In an era when the U.S. government has provided billions of dollars in assistance worldwide, USTDA is cognizant of the overarching need to demonstrate results. With this in mind, USTDA has crafted a strategy to address critical development problems in each of the priority areas above where U.S. businesses have competitive technologies and experience. Investments in these areas will open new markets for U.S. goods and services and reduce impediments to sustainable economic growth. Historically, USTDA's investments have created positive developmental impacts across every region. In addition, the U.S. economy has benefitted from these investments through the generation of \$35 dollars in U.S. exports for every dollar that it programs.

Promoting Energy and Environmental Programs to Mitigate Climate Change

Energy is widely recognized as a fundamental element required for economic development. Without reliable power, industry cannot grow, agriculture cannot flourish, and governments cannot provide the services that their populations require. Importantly, as overall energy demand has grown, the desire of emerging economies to produce and utilize energy in a sustainable and environmentally friendly manner has grown as well.

The parallel interests of increasing energy production, diversifying sources of supply, and improving environmental standards in emerging economies have in turn presented a significant opportunity for the U.S. private sector. As such, with the Administration's commitment to investments in newer, more efficient, and cleaner technologies, U.S. industry is certain to play an even greater role in the revolution of energy development around the world. To assist in these efforts, USTDA will invest in projects that introduce state-of-the-art U.S. technologies to existing and planned power projects in emerging economies. Most notably, with the rising global focus on reducing greenhouse emissions, countries such as India, China, Mexico and Brazil are in desperate need of clean energy technologies.

With a budget of \$55.2 million, USTDA can help these countries, and others, achieve their objectives of reducing harmful emissions by funding early investment analysis and technical assistance that is delivered by U.S. firms. Using this delivery mechanism, the Agency will help position the U.S. private sector to compete successfully for resulting

energy development projects using U.S. technology. This in turn will result in U.S. jobs and exports.

In addition, as the Administration has highlighted, the cheapest, cleanest and fastest energy production derives from energy efficiency programs. Recognizing this, USTDA intends to invest in programs that promote industrial and utility energy efficiency. Specifically, the Agency will support a comprehensive series of energy efficiency audits and training activities, conducted by U.S. private sector experts, which will identify specific U.S. technologies, services, and practices to improve energy efficiency, reduce power consumption, and decrease pollution in developing and middle-income countries. USTDA will prioritize assistance to countries with the greatest energy deficits, the least energy efficient local industries, and which have demonstrated a commitment to investing in new energy efficiency technologies and practices.

Supporting the Framework for Lasting Peace in the Middle East and South Asia

In support of the Administration's objective of achieving lasting peace in the Middle East and South Asia, USTDA will play a significant role in advancing the local economic development that is needed to realize these foreign policy priorities. Historically, the development of infrastructure has been fundamental to sustainable economic growth. However, in these countries political risk to investors and developers has constrained effective infrastructure development, while existing systems have been destroyed by long-running conflicts. The Administration's objectives will require a renewed focus on infrastructure rehabilitation and modernization in the Middle East and South Asia. Given USTDA's mandate, the Agency will be able to contribute to sustainable development and economic growth in these regions by promoting effective infrastructure planning. USTDA expects a substantial portion of its portfolio to focus on activities in critical sectors such as energy, environment, transportation, information and communications technology (ICT), and water. U.S. companies are well-positioned to play an important role in the rebuilding of these countries, and with a budget of \$55.2 million, USTDA will be able to create public-private partnerships that enhance infrastructure, promote sustainable economic growth, and ensure a lasting peace.

Nowhere will this investment in economic development be more needed than in the West Bank and, possibly, Gaza. Since reopening its program in the West Bank in FY 2008, USTDA's efforts have focused on supporting the development of the ICT sector, a key component of the West Bank's economy. USTDA is now exploring additional activities to improve local infrastructure, enhance energy supplies and promote the West Bank's capacity for commerce and trade. When a lasting peace is established in Gaza, USTDA will be poised to support economic development and reconstruction projects there as well. Improved economic conditions in the Palestinian Territories will lead to increases in employment and thereby create an environment that reinforces the peace process. More broadly, such improvements will lead to greater stability of the region, allowing for even more investment and economic growth throughout the Middle East. For example, USTDA will be better able to connect U.S. goods, services and

technology providers with priority economic development projects in countries such as Egypt, Lebanon, and Jordan, thereby spurring jobs in the United States and increased employment and economic growth in the greater Middle East.

Further, with a budget of \$55.2 million, USTDA will be able to increase its efforts in Afghanistan and Pakistan to expand infrastructure investment that will directly support the efforts of the Special Envoy to the region. USTDA is positioned to lead renewed programs in a range of sectors that target key priorities of both the Pakistani and Afghan governments and directly support the larger objectives of the Administration. USTDA-funded early project planning and policy development have already helped mobilize private sector investment as well as large-scale donor assistance in sectors such as telecommunications, energy and higher education. With the Administration's emphasis on development in general, and Afghanistan and Pakistan in particular, the proposed budgetary resources will enable USTDA to reengage in these countries and promote sustainable economic growth.

Achieving the Millennium Development Goals in Sub-Saharan Africa

USTDA is proud to count itself among the U.S. government agencies that are successfully contributing to the Millennium Development Goals of eliminating the "abject and dehumanizing conditions of extreme poverty." USTDA plans to further the Administration's goals of reducing poverty in sub-Saharan Africa by investing in the infrastructure that promotes economic growth. Of particular importance to our efforts are investments that support regional integration and cross-border cooperation within sub-Saharan Africa. Such strategies are essential to increasing the trade capacity of the region's 47 countries, as well as the market size available to U.S. companies.

As discussed below, USTDA will invest significant resources in programs that focus on the critical infrastructure sectors of energy, ICT and transportation. Across sub-Saharan Africa, businesses have already identified the lack of electricity as their greatest barrier to growth. With demands for electricity projected to increase over 85% by 2030, this level of growth is already placing a heavy strain on infrastructure that will ultimately stifle investments in the region if concrete actions are not taken to address this pending shortage. USTDA's work in sub-Saharan Africa has recently recorded a success in an environmentally-friendly power generation project in Botswana utilizing U.S.-manufactured goods and services. Using this success as a model and using significant new investments to reduce the release of GHG emissions, USTDA will work with countries to evaluate new solutions using alternative fuel sources and the application of clean energy technologies to help Africa expand power generation capabilities to meet current and future demand.

Increased access to telecommunications services is strongly linked to increases in gross domestic product. Aware of this linkage, many countries in sub-Saharan Africa are investing heavily in ICT. With the Administration's proposed funding level, USTDA will be able to take advantage of numerous opportunities to support regional ICT

infrastructure projects that will correspondingly support high-tech job creation in the United States. Significant opportunities for U.S. companies exist for supplying fiber optic cable, as well as for tapping expanded markets with value-added services that broadband access will create. Specifically, as ICT penetration increases, USTDA will support activities targeted at the application of ICT in hospital administration and distance diagnostics; the expansion of ICT to improve government administration, accountability, and public services; and, the use of ICT to improve lending practices and efficiency among local banks and financial institutions. These activities will serve as an incentive for greater investment and economic development in the region, while making sub-Saharan African governments more transparent and accountable to their citizens.

Sub-Saharan Africa's transportation networks are underdeveloped and impede economic growth. For some of the continent's poorest countries, transportation costs may account for as much as three-quarters of the value of their exports. In addition to poor infrastructure, sub-Saharan Africa's competitiveness suffers from inadequate capacity related to trade logistics, supply chain management, and border and port congestion. Alleviating the region's poverty will depend as much on transportation as on other economic sectors. The Agency's ability to work on a local, national, or regional scale makes its program distinct. As such, USTDA will expand its Africa Trade Lanes Initiative to focus on larger-scale, region-wide transportation corridor development activities that are critical to economic growth and poverty reduction, and that pose the best opportunities for U.S. private sector involvement.

Opening U.S. Export Markets in the Americas

USTDA's assistance in the Latin America region will include a combination of supporting U.S. foreign policy objectives, host country developmental priorities and U.S. commercial opportunities. While USTDA expects to see continued growth in demand for our services throughout Latin America, the three largest markets in the region (Brazil, Colombia, and Mexico) are expected to be the most active for USTDA in FY 2010. However, regional cooperation within the hemisphere is of paramount importance to ensure stability and open commercial opportunities for U.S. manufacturers and service providers. Recognizing the importance of greater transportation linkages throughout the Americas, USTDA will launch a Latin America Aviation Cooperation Program (ACP). This program is modeled on the successful U.S./China and U.S./India Aviation Cooperation Programs that have generated over \$700 million in U.S. exports over the past four years. The Latin America ACP would coordinate project planning activities for airport and air traffic control system modernization and aviation integration projects within the region, all with the intention of further opening this important market to U.S. industry. This initiative would leverage U.S. industry's technical and financial resources, as well as U.S. government interagency expertise. Ultimately, the initiative would provide a coordinated public-private approach toward aviation sector development throughout the region.

Other regional activities that USTDA will initiate in FY 2010 include a Green Technologies for the Americas and an E-Government Alliance for the Americas. In support of the Administration's commitment to clean energy development, the Agency's Green Technologies for the Americas initiative will focus on leveraging U.S.-based renewable energy technologies to support a regional reduction in oil dependence. The program will have a particular focus on project preparation activities related to geothermal, wind, solar and waste-to-energy projects, as well as other forms of renewable energy projects where U.S. companies are at the forefront of providing commercial solutions. Similarly, USTDA will launch the E-government Alliance for the Americas to assist our partners as they confront the challenges of duplicative, inefficient and often incompatible ICT systems. USTDA's E-Government Alliance would address these developmental constraints by supporting projects to expand the use of U.S.-based e-government technologies. Featured U.S. technologies would include data storage, ICT integration and records digitization technologies, and ICT security. In each of these areas, U.S. industry is a world-wide leader in the development and application of these technologies.

Lastly, recognizing the cost of rebuilding associated with natural disasters, and the need for investments in preventative measures, USTDA will establish a Regional Natural Disaster Relief Partnership between U.S. industry and those countries most prone to natural disasters. Throughout the Latin America and Caribbean region there is a vulnerability to a number of natural disasters, such as hurricanes (particularly in Mexico, Central America and the Caribbean) and earthquakes (region-wide). With a budget of \$55.2 million, USTDA will structure a specialized program focusing on natural disaster response and emergency management that will leverage the technical and financial resources of the numerous U.S. companies that provide technologies and services related to natural disaster response and emergency management. These programs will directly assist U.S. industry establish a greater stake in the region for the sale of U.S. manufactured goods and services in this priority sector.

REPRESENTATIONAL FUNDS

The Administration requests a representational fund of \$4,000. As a foreign assistance agency, it is essential that USTDA's representational funds be sufficient to allow Agency staff to operate appropriately in international diplomatic environments. As such, the Administration is requesting an amount that sufficiently supports both the extensive work the Agency engages in overseas and local programs that bring the international community together with U.S. business interests.

MEASURING OUR RESULTS

USTDA's success in promoting U.S. exports is measured by the hit rate and multiplier. The hit rate is the percentage of Agency projects that resulted in U.S. exports in the most recent ten year period. The multiplier is the amount of U.S. exports generated for every dollar in program funding in the most recent ten year period. Since its inception in 1981,

USTDA's programs have contributed to over \$31 billion in U.S. exports. These figures met established goals and reflect the Agency's ability to match the needs of emerging markets with solutions from the U.S. private sector.

Export Multiplier and Hit Rate Calculations

The export multiplier is defined as the dollar amount of U.S. exports that have been associated with USTDA core budget assistance to projects, divided by the dollar amount of USTDA core budget obligations. For the most recent ten-year period for which information is complete (1996-2005), USTDA has identified \$10.3 billion in U.S. exports from completed projects for which USTDA obligated \$292.8 million. This results in an export multiplier of \$35 for every program dollar invested.

$$\text{Export Multiplier: } \frac{\$10.284 \text{ billion}}{\$292.8 \text{ million}} = 35$$

The hit rate represents the proportion of USTDA activities for which the Agency has identified exports of U.S.-manufactured goods and services. For the same ten-year period, 412 projects out of a total of 1,187 have produced exports, yielding a hit rate of 35%.

$$\text{Hit Rate: } \frac{412}{1187} = 35\%$$

OPERATING EXPENSES

The Administration requests an operating expense (OE) budget of \$13.2 million for FY 2010. This amount will enable the USTDA to meet its responsibilities in four critical areas, including:

- Meeting increased federal requirements for information technology (IT) security, internal controls, and privacy protection;
- Maintaining and updating the IT and financial systems to enhance internal controls, better track project investments and be able to better share those successes with both the public and other government agencies;
- Funding the Agency's strong evaluation and audit programs; and
- Implementing a human capital development program with increased training in key areas.

In addition to the above priorities, the largest expenditure in USTDA's OE budget is salaries. This top-priority item is non-discretionary and constantly increasing as a result

of cost-of-living adjustments. Equally important, however, are basic necessities, including facilities management, equipment, communications, and supplies.

With a budget of \$13.2 million USTDA will be able to support the identified program needs and ensure that the necessary resources are available to attain the agency's development and assistance goals, as well as satisfy U.S. government-wide requirements.

CONCLUSION

The U.S. Trade and Development Agency is a unique foreign assistance agency that has a proven track record of promoting economic development overseas and creating export opportunities for U.S. companies, thus creating U.S. jobs. USTDA's methods have proven successful. Since its inception in 1981, USTDA programs have contributed to over \$31 billion in U.S. exports. During this global economic crisis, it is in everyone's interest to respond to this demand for USTDA's services with Administration's budget request of \$55.2 million which will result in sufficient funding for a successful foreign assistance program and the creation of U.S. jobs.

TOP COUNTRIES AND SECTORS

In FY 2008 USTDA funded 258 activities including: 110 desk studies and definitional missions; 67 technical assistance activities; 41 feasibility studies; 13 conferences; 3 trade-related training programs; and 24 orientation visits in 66 countries around the world. The following tables show the top ten countries and top five sectors where USTDA provided assistance in FY 2008, FY 2007 and FY 2006:

TOP 10 COUNTRIES IN FY 2008

Country	Funding Amount	# of Activities
China	5,014,508	24
India	3,881,600	16
Sub-Saharan Africa Region	2,613,980	20
Mexico	2,099,155	9
Chile	1,949,793	8
Romania	1,779,175	7
Brazil	1,534,452	10
Philippines	1,472,739	7
Cameroon	1,360,000	3
Morocco	1,305,274	7

TOP 5 SECTORS IN FY 2008

Sector	Funding Amount	# of Activities
Transportation	12,449,410	62
Energy & Power *	10,948,326	49
Telecommunications	6,060,674	32
Water & Environment*	4,380,012	19
Multi-Sector & Other	3,567,543	39

*Includes Clean Energy projects totaling over \$5.01 million

TOP 10 COUNTRIES IN FY 2007

Country	Funding Amount	# of Activities
China	\$4,068,714	13
Indonesia	\$2,290,488	7
Sub-Saharan Africa Region	\$1,809,992	19
Vietnam	\$1,554,654	11
Pakistan	\$1,476,499	5
Worldwide	\$1,364,398	5
Morocco	\$1,190,344	6
Philippines	\$1,189,747	7
India	\$1,161,385	9
Jordan	\$1,104,000	3

TOP 5 SECTORS IN FY 2007

Sector	Funding Amount	# of Activities
Energy & Power	\$13,890,947	67
Transportation	\$10,064,025	50
Telecommunications	\$6,519,226	30
Water & Environment	\$6,418,032	30
Services	\$4,426,520	22

TOP 10 COUNTRIES IN FY 2006

Country	Funding Amount	# of Activities
China	\$4,650,209	17
India	\$3,054,427	11
Mexico	\$2,943,489	6
Nigeria	\$2,544,713	8
Colombia	\$2,463,112	7
Sub-Saharan Africa Region	\$2,408,907	25
Vietnam	\$2,269,963	10
Brazil	\$2,234,516	10
Morocco	\$2,122,584	4
Romania	\$1,879,293	8

TOP 5 SECTORS IN FY 2006

Sector	Funding Amount	# of Activities
Transportation	\$11,764,814	55
Energy & Power	\$11,513,223	51
Services	\$7,350,139	38
Water & Environment	\$6,587,928	28
Telecommunications	\$3,308,777	21

BUDGET HISTORY TABLE
FY 2002 – FY 2010

Fiscal Year	Request	Appropriation	Carryover from Prior Year	Available for Obligation	Obligated
FY 2002	50,000,000	50,019,000	16,619,000	66,638,000	65,912,000
FY 2003	44,700,000	46,706,000	1,659,000	48,365,000	49,208,000
FY 2004	60,000,000	49,705,000	578,000	50,283,000	50,586,000
FY 2005	50,000,000	51,088,000	1,436,000	52,524,000	51,159,000
FY 2006	48,900,000	50,391,000	2,549,000	52,940,000	52,626,000
FY 2007	50,300,000	50,432,000	1,344,000	51,776,000	49,078,000
FY 2008	50,400,000	49,992,000	2,817,000	52,809,000	52,777,000
FY 2009	50,800,000	50,800,00	1,314,000	52,114,000	n/a
FY 2010	55,200,000	n/a	n/a	n/a	n/a

The Administration is requesting \$55.2 million for the U.S. Trade and Development Agency (USTDA) in FY 2010. This request maintains USTDA's ability to spur economic development and advance U.S. commercial interests in developing and middle-income countries, while creating jobs in the United States.

USTDA's FY 2010 budget request will support key foreign policy objectives of the Administration, including: 1) promoting energy and environmental programs to mitigate climate change; 2) supporting the framework for lasting peace in the Middle East and South Asia; 3) achieving the Millennium Development Goals in sub-Saharan Africa; and 4) opening export markets in the Americas.

USTDA FY 2010 ANNUAL PERFORMANCE PLAN

I. Mission

The U.S. Trade and Development Agency assists developing and middle income countries in gaining access to U.S. private sector expertise to develop the trade and physical infrastructure necessary for healthy and sustainable economic growth. In carrying out its program, USTDA leverages the resources of the U.S. private sector to advance the foreign policy priorities of the Administration, creating long-term commercial relationships between the private and public sectors of the United States and its partners in the developing world.

II. Performance Goals

- 1) The agency plans to meet or exceed its performance targets for Developmental Impact (DI):
 - Over 55% of its implemented activities will result in infrastructure/industrial projects
 - Over 25% of its implemented activities will lead to adoption of market-oriented reforms
 - Over 30% of its implemented activities will create 10 or more jobs, or train at least 10 people
 - Over 50% of its implemented activities will result in the transfer of advanced technology or increased productivity
- 2) The agency plans to meet or exceed its performance targets for Commercial Impact:
 - Over \$35.00 of U.S. exports for every \$1 the agency obligates (the Multiplier)
 - Over 35% of the activities that USTDA funds will result in U.S. exports (the Hit Rate)

With the agency's current staff level, USTDA can support a budget allocation of \$55.2 million. The requested level will allow the Agency to allocate more resources toward project implementation and maintain a program throughout the developing world consistent with its legislative mandate. A budget of \$55.2 million will allow USTDA to most effectively apply its project implementation strategy to focus on increasing the number of successfully implemented projects that result from USTDA funding.

III. Priorities for Program Budget:

- Promoting energy and environmental programs to mitigate climate change
- Supporting the framework for lasting peace in the Middle East and South Asia
- Achieving the Millennium Development Goals in sub-Saharan Africa
- Opening U.S. export markets in the Americas

IV. Priorities for OE Budget

- Meeting increased federal requirements for information technology (IT) security, internal controls, and privacy protection
- Maintaining and updating the IT and financial systems to enhance internal controls, better track project investments and be able to better share those successes with both the public and other government agencies
- Funding the Agency's strong evaluation and audit programs
- Implementing a human capital development program with increased training in key areas.

Powering Turkey's Development With Renewable Energy

The largest privately owned geothermal facility in Turkey is under construction based on the results of USTDA-funded investment analysis. The 47.5 megawatt plant is being developed in the Aydin-Germencik geothermal field by the Gurmat Energy Investment and Trade Company, a private Turkish company.



More than \$23.36 million in U.S. exports of goods and services from eight states have been utilized during construction. This amount includes \$4.86 million in engineering and consulting service exports that were financed by the Export-Import Bank of the United States with a 15-year loan guarantee.

According to Henry Veizades of Veizades & Associates, which has provided design work and engineering services associated with the geothermal project, "USTDA's sponsorship was critical and enabled the

project to mature quickly." The Agency's role in moving the project forward was confirmed by Gurmat's General Manager Ali Karaduman, who stated that the USTDA-funded study provided the detailed project assessment that was critical to project definition and financing.

As the plant becomes operational at the beginning of 2009, it will provide Turkey with an important renewable energy source to further the country's economic growth. In addition to the U.S. manufacturing and service jobs that were created through the export of over \$23 million, up to 250 local jobs were created during the construction of the power plant and an additional 37 jobs will be created to operate the plant. Moreover, the project has provided additional job opportunities for local people involved in improving the infrastructure surrounding the Germencik field.

Expanding Access to Information and Communications Technology in Africa

Gloria Ngozi Ezeokafor is one of the more than 1,500 “village phone ladies” in Nigeria, who have received training in how to run businesses selling airtime on a per-call basis to their communities. The training was provided as part of a collaborative community phone project by the International Finance Corporation, MTN Nigeria and USTDA.

This successful project involves providing phone kits to women in rural communities, using financing from microfinance institutions, to establish businesses as telephone service providers in their communities. A USTDA-funded contractor was responsible for overseeing the program’s implementation in Nigeria, where the initial program targets were met in the 435 communities across the 22 states where it was implemented.



“My service reaches over 2,000 people, enabling them to conduct their businesses more efficiently,” said Ms. Ezeokafor about the impact of her company on the local community. “My customers, many of whom work in the market, are now able to reach their distributors when they need more stock, or call their customers when they have new goods.”

Based on the program results in Nigeria, the IFC has expanded the program to Madagascar and Malawi, and plans to further replicate the community phone project in the Democratic Republic of the Congo and Burkina Faso by the end of 2009. The entire project envisions training up to 20,000 women to become telephone service providers in their communities.

Reverse Trade Mission Connects U.S. Companies with Opportunities in Brazil's Rail Sector

USTDA played a pivotal role in the sale of 55 General Electric locomotives, with a U.S. content valued at more than \$120 million, to MRS Logística, a Brazilian rail company. By sponsoring a reverse trade mission for 10 delegates from the Brazilian rail sector to the United States USTDA provided a forum for procurement decision makers to examine U.S. capabilities in the area of railroad rehabilitation and modernization.

The visit was prompted by the interest of Brazilian rail companies in making significant upgrades to their rolling stock, communications and signaling systems, track and other infrastructure. Based on these needs, the itinerary was structured to inform U.S. companies about export opportunities in the Brazilian rail sector and to facilitate direct contact with key decision makers.



During the reverse trade mission, the delegates traveled to Pennsylvania for site tours, including one to the GE Transportation diesel engine manufacturing plant in Grove City. GE's transportation business recognized the importance of this initial contact leading up to its sales activity to MRS Logística. "The visit by the Brazilian rail officials helped us to establish the lasting contacts necessary to tap into an important emerging market. We look forward to building on these relationships for many years to come," said Robert Parisi, General Manager of International Locomotives and Modernizations at GE Transportation.

The Brazilian rail officials visit is an outstanding example of the way USTDA's program connects U.S. firms with export opportunities. In addition to the site visits in Pennsylvania, the delegates also presented their procurement needs to U.S. firms at a business briefing in Chicago, Illinois. At the business briefing, each Brazilian delegate met with a minimum of 15 U.S. company representatives due to the strong interest in the visit.

USTDA ACTIVITY SUPPORT

USTDA accomplishes its mission by funding: 1) project identification and investment analysis, and 2) trade capacity building and sector development activities. Project identification and investment analysis generally involves technical assistance and feasibility studies that support large capital investments that contribute to overseas development and open export opportunities for U.S. manufactured goods and services. Trade capacity building and sector development assistance supports the establishment of industry standards, rules and regulations, market liberalization and other policy reform measures that creates an environment to foster trade and expand U.S. export opportunities.

Project Definition and Investment Analysis

Project Definitional Missions: One of the earliest stages of project planning is the development of a scope of work for a study that will define the technical, environmental, financial, and other factors that must be addressed before an investment decision can be made. USTDA funds Definitional Missions and Desk Studies to help ensure that projects will be appropriately conceived, including relevant terms of reference and a budget for a feasibility study or other pertinent project preparation activity. These activities provide a preliminary assessment of a project's economic viability using U.S. private sector resources and expertise.

Feasibility Studies: USTDA provides grants for overseas infrastructure project planning assistance, including feasibility and pre-feasibility studies. These studies evaluate the technical, financial, environmental, legal, and other critical aspects of infrastructure development projects that are of interest to potential lenders and investors and open the door to the export of U.S. manufactured goods and services. A USTDA Grantee selects a U.S. company, normally through an open competition, to perform the feasibility study on its behalf.

Orientation Visits: Orientation Visits bring foreign project sponsors to the United States to see the design, manufacture, demonstration and operation of U.S. products and services that potentially can help them achieve their development goals. USTDA uses pre-qualified contractors to assist in the preparation and management of these custom visits.

Workshops and Conferences: USTDA organizes workshops, conferences and technical symposia worldwide. These events are sector or project oriented and connect overseas project sponsors with U.S. firms and entities that supply project finance, technology and expertise that may be useful in implementing a development project. USTDA contracts with pre-qualified professional conference specialists to organize these activities.

Procurement Assistance: To promote project transparency and integrity, USTDA provides grants to assist in the establishment and oversight of international project procurement activities. Support can take the form of developing appropriate bidding procedures, assisting in the evaluation of technical proposals, and identifying potential suppliers or bidders.

Trade Capacity Building and Sector Development Activities

Sector Development Technical Assistance: USTDA provides technical assistance to help with the development of sector strategies, industry standards, and legal and regulatory regimes. Transportation safety and security are particularly important sectors for USTDA's technical assistance work. This assistance helps to create a favorable business and trade environment.

Training: USTDA provides training for foreign decision-makers in economic sectors where there are opportunities for the sale of U.S. equipment and services. The training is normally focused on technology or regulatory issues and designed to give project sponsors a better understanding of U.S. experience and capabilities. Training can be conducted in the United States or in the host country.